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OCTOBER 1987

OREGON LABOR TRENDS

SEPTEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Sept.	1987	6.3
Aug.	1987	6.1
Sept.	1986	8.4
U.S.		
Sept.	1987	5.9
Aug.	1987	6.0
Sept.	1986	7.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Sept.	1987	117.0
Aug.	1987	117.3
July	1987	117.7
June	1987	116.8
May	1987	116.4

DIFFUSION INDEX

Oregon		
Sept.	1987	53.5
Aug.	1987	60.9
July	1987	64.7
June	1987	64.7
May	1987	60.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Aug.	1987	$10.42
July	1987	$10.41
Aug.	1986	$10.31

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July 1987	321.6
Yearly change	1.6%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
Sept. 1987	344.4
Yearly change	4.3%
Annual Average 1986	328.4
Yearly change	1.9%

Portland Hotline 221-4132

THE CASE OF THE PURLOINED MONTH

Duane Ackerson

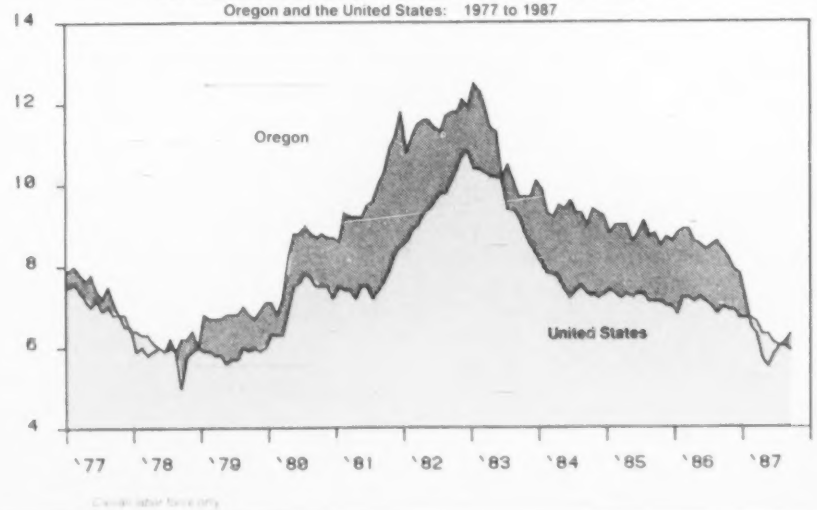
With, as this is being written, only a few shopping days till Halloween, it's time to give some thought to Edgar Allen Poe. In Poe's detective story, "The Purloined Letter," the culprit decides that the best way to conceal a stolen letter is to hide it in plain sight. In some ways, this is what happened to a certain amount of September's employment, especially in the government sector. In this sector, there were substantial increases and decreases in employment, but not all of these show in the estimate.

One cause of increased employment was an unwelcome one: 8,300 fire fighters were engaged in fighting the largest number of forest fires to strike the State in decades, recalling shades of the Tillamook burn. The Silver Complex fires, located (if a fire can be "located") about 25 miles west of Grants Pass in Southern Oregon, spread to the North Kalmiopsis Roadless area, and have ignited controversy as well as timber. Environmentalists are strongly opposed to building roads into this area to cut the burned timber, which is still usable and will eventually rot if not logged. They are concerned about side effects, that logging activity will increase the washout from fire-stripped hillsides into salmon spawning beds. A long dry season may further complicate logging efforts in other, non-wilderness areas of the State as well; access to the woods is currently restricted in many places due to extreme fire hazard. In the next several months, this curtailed activity could impact lumber and wood products employment and even, eventually, if mill backlogs(no pun) are depleted, home construction; the latter is presently enjoying a resurgence in single family housing units, especially in the Portland area.

At present (or, at any rate, during last month), there was a temporary loss of 1,500 jobs in lumber and wood products caused by the fires. This, and the fact that out-of-state fire fighters' employment was attributable to their home states, meant that the count of Oregon fire fighters, in the balance, didn't increase that much over earlier years.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES

Oregon and the United States: 1977 to 1987



Another important event affecting government employment also didn't cause a ripple in the employment estimate. This was the Oregon Public Employees Union strike, a "rolling" strike that took place September 16-24, and resulted at one point in over 5,000 state employees being out on strike. However, since the strike occurred after the week of the twelfth, the week of data sampling the Employment Division uses in doing employment estimates, these workers were counted as employed.

On the national level, the current economic recovery, entering its 60th month in September, broke the endurance record of the 1975-80 upturn. (Remember? The one just before the 1980-82 collapse?) David Wyss, an economist for Data Resources Inc., was quoted (in the Oct. 1, 1987 edition of **The Oregonian**) as saying that "this is the longest economic expansion we have seen since the 1960s, but we were also starting from the deepest depression we have seen since the 1930s."

On the state level, this expansion was most apparent in the "high tech" sector, which has shown steady employment growth through 1987, and apparently has greater things ahead, judging from recent announcements. In recent weeks, several large, Japanese-based electronics firms have announced construction and expansion plans. NEC America Inc. plans a $30 million addition to its Hillsboro plant in 1988-89. This 200,000 square foot expansion will eventually boost total employment to almost 1,000 by 1992. Current employment at the Hillsboro plant is about 340. Epson Portland, Inc. will begin construction soon on an 81,000 square foot expansion to a plant also located near Hillsboro; this expansion will result in 100 more jobs by the end of the year. And Fujitsu America Inc. also announced plans to construct a $30 million facility to eventually employ 500 people at Hillsboro. The Hillsboro plant add-on will produce printed circuit board assemblies, tape drives, and other electronic products. Still another subsidiary of Fujitsu Limited of Tokyo, Fujitsu Microelectronics Inc., announced plans to build a $70 million semiconductor plant in Gresham. This 100,000 square foot structure will house Fujitsu's first U.S. semiconductor wafer fabrication plant. When the first phase of the FMI plan is completed in two years, 350 people will work in this plant; eventually, FMI plans to develop the 200 acre plant site into a $130 million operation employing a small city: 2,800 people.

In short, September had its share of events, from forest fires to a state employees strike to announced plans for new or expanded microelectronics plants, that are likely to have a long-term effect on Oregon's economy. In looking at some of the major industrial sectors, we see that government is once more at the forefront, but on a more routine level; this sector gained 10,100 workers as education support personnel increased by 12,000 with the start of another school year. Total manufacturing was down 1,300 from the month before, largely due to the effect, mentioned earlier, of forest fires on lumber and wood products employment. Other durable goods industries were characterized by either stability or slight gains. Within nondurables, preserved fruits and vegetables conspired to produce a drop of 500 in food and kindred products. Within nonmanufacturing, construction, as mentioned earlier, showed strength, and is 1,500 above last year. Trade also made good gains, with an increase of 1,900 over the month. In services, hotels and lodging places declined by 1,000 from August, but this decrease was from a summer of record employment levels.

The September payroll job count of 1,112,000 was a new high point for Oregon, and annual average wage and salary employment will probably also reach a record high in 1987. However, since new jobs were growing at a rate below expectations for this time of year, all employment-related economic indicators fell. The Oregon unemployment rate, seasonally adjusted, was up to 6.3% from 6.1% in the previous month. The nonfarm employment index fell very slightly (from 117.3 to 117.0) month-to-month (not exactly a cry for month-to-month resuscitation, but a sinking of sorts), and the diffusion index dropped 7.4 points from 60.9 to 53.5, the lowest it's been so far in 1987.

A haunting thought, looking at some of the tricks the figures played this month of Trick or Treat: numbers, in this age of "high tech" which makes quantifying everything so seductively easy, do not begin to tell us everything. This is not to deny they can tell us much, including the fact that there are things beyond their scope. As Hamlet reminds his friend after spying a ghost, "there are more things in heaven and earth, Horatio, than are dreamt of in your philosophy." The spectres of other possibilities lurk around the edges of our logic. Larger or smaller numbers of people employed in various places, times, and occupations don't tell us whether the jobs being counted so carefully and methodically are productive, gainful, secure, or, perhaps most important, satisfying. If not, our own lives as workers may have been purloined: stolen and replaced with something less than adequate. □

RESIDENT OREGON LABOR FORCE

	SEPT.[1] 1987	AUG.[2] 1987	CHANGE	%CHANGE	SEPT.[5] 1986
CIVILIAN LABOR FORCE[3]	1,368,200	1,365,300	2,900	0.2	1,355,400
UNEMPLOYMENT	73,600	73,500	100	0.1	97,900
PERCENT OF LABOR FORCE	5.4	5.4	XXX	XXX	7.2
SEASONALLY ADJUSTED PERCENT	6.3	6.1	XXX	XXX	8.4
TOTAL EMPLOYMENT[4]	1,294,600	1,291,800	2,800	0.2	1,257,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	SEPT.[1] 1987	AUG.[2] 1987	SEPT. 1986	CHANGE FROM AUG. 1987	CHANGE FROM SEPT. 1986
TOTAL[3]	1,112,000	1,103,600	1,073,800	8,400	38,200
WAGE & SALARY EMPLOYMENT INDEX[4]	117.0	117.3	112.9	XXX	XXX
DIFFUSION INDEX[5]	53.5	60.9	51.6	XXX	XXX
TOTAL MANUFACTURING	211,000	212,300	206,500	-1,300	4,500
DURABLE GOODS	149,100	150,100	144,600	-1,000	4,500
LUMBER & WOOD PRODUCTS	67,700	69,200	66,400	-1,500	1,300
LOGGING & SAWMILLS	34,400	35,800	34,600	-1,400	-200
VENEER & PLYWOOD	17,700	17,700	16,800	0	900
MILLWORK & STRUCTURAL WOOD	10,200	10,200	9,900	0	300
MOBILE HOMES	1,600	1,600	1,400	0	200
OTHER WOOD PRODUCTS	3,800	3,900	3,700	-100	100
FURNITURE AND FIXTURES	2,400	2,400	2,700	0	-300
STONE, CLAY, GLASS & CONCRETE	3,600	3,600	3,600	0	0
PRIMARY METALS	9,500	9,400	8,400	100	1,100
BLAST FURNACES, IRON & STEEL	5,700	5,600	5,200	100	500
NONFERROUS METALS	3,800	3,800	3,200	0	600
FABRICATED METALS	11,000	10,900	10,500	100	500
FABRICATED STRUCTURAL METALS	4,900	4,900	4,500	0	400
OTHER FABRICATED METALS	6,100	6,000	6,000	100	100
MACHINERY	15,100	15,100	14,500	0	600
ELECTRICAL EQUIPMENT & SUPPLIES	13,700	13,600	13,100	100	600
TRANSPORTATION EQUIPMENT	10,900	10,700	10,600	200	300
INSTRUMENTS & RELATED PRODUCTS	12,000	12,000	12,200	0	-200
MISCELLANEOUS MANUFACTURING	3,200	3,200	2,600	0	600
NONDURABLE GOODS	61,900	62,200	61,900	-300	0
FOOD & KINDRED PRODUCTS	29,300	29,800	31,100	-500	-1,800
CANNING & PRESERVING	18,700	19,200	20,400	-500	-1,700
OTHER FOOD PRODUCTS	10,600	10,600	10,700	0	-100
TEXTILE MILL PRODUCTS	1,700	1,700	1,400	0	300
APPAREL	2,300	2,300	2,300	0	0
PAPER & ALLIED PRODUCTS	9,200	9,100	9,100	100	100
PRINTING & PUBLISHING	12,400	12,400	11,800	0	600
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	500	400	0	100
RUBBER & PLASTIC PRODUCTS	3,900	3,800	3,300	100	600
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	901,000	891,300	867,300	9,700	33,700
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	39,200	40,100	37,700	-900	1,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	57,700	57,800	57,900	-100	-200
TRANSPORTATION	36,500	36,500	36,500	0	0
RAILROAD	4,100	4,200	4,300	-100	-200
TRUCKING & WAREHOUSING	21,400	21,700	21,100	-300	300
OTHER TRANSPORTATION	11,000	10,600	11,100	400	-100
COMMUNICATIONS	12,600	12,600	12,800	0	-200
UTILITIES	8,600	8,700	8,600	-100	0
TRADE	286,700	284,800	274,600	1,900	12,100
WHOLESALE TRADE	71,500	71,100	69,400	400	2,100
DURABLE GOODS	41,900	41,700	40,000	200	1,900
NONDURABLE GOODS	29,600	29,400	29,400	200	200
RETAIL TRADE	215,200	213,700	205,200	1,500	10,000
GENERAL MERCHANDISE	27,300	27,000	26,000	300	1,300
FOOD STORES	36,100	35,800	32,900	300	3,200
AUTO DEALERS & SERVICE STATIONS	26,000	26,200	25,800	-200	200
OTHER RETAIL TRADE	125,800	124,700	120,500	1,100	5,300
FINANCE, INSURANCE, & REAL ESTATE	73,100	73,800	71,100	-700	2,000
BANKING & CREDIT AGENCIES	23,800	23,900	23,900	-100	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,300	49,900	47,200	-600	2,100
SERVICES	246,000	246,600	233,900	-600	12,100
HOTELS & PERSONAL SERVICES	27,500	28,500	26,500	-1,000	1,000
HEALTH SERVICES	76,300	76,100	73,900	200	2,400
OTHER SERVICES	142,200	142,000	133,500	200	8,700
GOVERNMENT	196,800	186,700	190,600	10,100	6,200
FEDERAL GOVERNMENT	30,700	31,000	29,200	-300	1,500
STATE GOVERNMENT	54,200	54,500	51,000	-300	3,200
EDUCATION	19,500	19,200	18,900	300	600
OTHER STATE	34,700	35,300	32,100	-600	2,600
LOCAL GOVERNMENT	111,900	101,200	110,400	10,700	1,500
EDUCATION	66,600	54,900	66,600	11,700	0
OTHER LOCAL	45,300	46,300	43,800	-1,000	1,500
LABOR - MANAGEMENT DISPUTES	100	100	800	0	-700

1/ Preliminary
2/ Revised
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).
5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS & EARNINGS - A FEW WORDS ABOUT FOOTNOTES

Jason Yohannan

Hours & earnings figures published in **Oregon Labor Trends** generally represent most, but not all, of the workers in a given industrial classification. As can be seen from the footnotes in this month's hours & earnings table, statistics for the manufacturing and construction industries chart data for production workers only. (In construction, a "production" worker is actually a "construction" worker.) For communications & utilities, trade, and banking & insurance, numbers published illustrate averages for nonsupervisory workers only. In the case of state & local government, the weekly earnings computations are averages of all employees' pay.

Knowing that, it would be helpful to understand how the industries compare and contrast in terms of coverage (i.e. the ratio of production workers to all employees). An accompanying table does exactly that. Notice that many industries tend to cluster around the three-fourths coverage level.

Two other aspects of the table are noteworthy. First, each industry's coverage ratio has moved very little since 1985. The average number of production workers reporting to a supervisor or an executive, for example, hasn't appeared to change much recently, regardless of which sector of the economy one turns to.

Second, the ratios vary greatly among industries. It is this fact as much as any other which distinguishes the "high-technology" industries, in that large proportions of employees of high-tech firms are involved in researching and developing new industrial products or technologies, rather than producing or assembling finished goods. (See the November 1983 **Monthly Labor Review** for more information about this issue.) These R & D occupations are also relatively well-compensated at many companies. The various electronics-related industries in Oregon (machinery/electrical equipment/instruments) are correctly identified as high-tech. Other industries found to be very technology-oriented nationally include chemicals (especially the portions related to pharmaceuticals), petroleum refining, weaponry manufacturing, transportation equipment such as aircraft and space vehicles, and parts of the services industry related to research and development labs or data processing services.

In Oregon, this concept of high-tech is reflected in the table. Some of the lowest production worker ratios show up in instruments (about 40%), electrical equipment (63%), and machinery (55%).

Hours & Earnings Employee Coverage Ratios for Selected Industries 1/
Sorted by 1986 Annual Averages

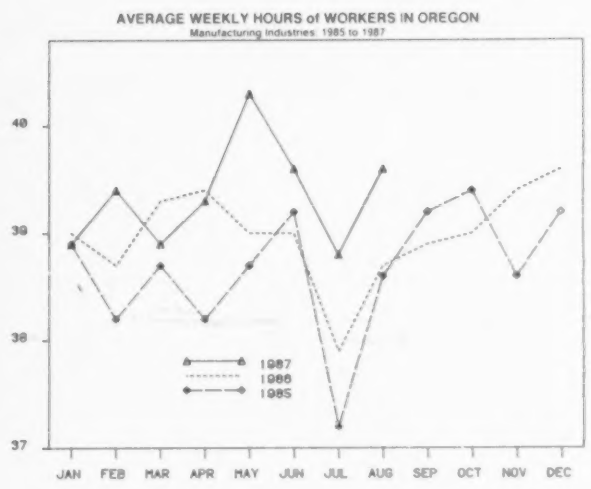
INDUSTRY	1985	1986	August 1987
Lumber & Wood Products	89	89	89
Retail Trade	88	89	88
Canning & Preserving	89	88	91
Apparel	82	85	84
Miscellaneous Manufacturing	77	81	81
Wholesale Trade	80	79	81
Furniture & Fixtures	80	79	82
Banking & Insurance	79	79	79
Paper & Allied Products	76	79	80
Transportation Equipment	76	77	78
Stone/Clay/Glass/Concrete	78	75	75
Construction	75	75	77
Communications & Utilities	75	75	75
Fabricated Metals	74	75	74
Other Nondurables	74	73	75
Primary Metals	68	67	69
Other Food Products	65	65	63
Electrical Equipment	65	63	62
Printing & Publishing	58	57	60
Textile Mill Products	56	56	60
Machinery	55	55	56
Instruments & Related	41	40	40
TOTAL MANUFACTURING	74	74	76

1/ The table score represents the percent of total employment in the given industry which is represented by the published hours & earnings figures (i.e., the production or nonsupervisory worker ratio).

Indeed, the computer/calculator manufacturing portion of machinery has a ratio of under 40%.

Other industries with low production worker ratios include other food products and printing & publishing. One explanation for low ratios in these sectors is that many employees there are involved in distributing finished goods after production is completed. This would be especially true in the bakery and beverage portions of other food products or the newspaper portion of printing & publishing.

It is useful to keep these concepts in mind when using or analyzing hours & earnings statistics. An average for retail trade or lumber & wood is fairly universal; while an average for a high-tech category represents only a select portion of the industry. □



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug.[2] 1987	July[3] 1987	Aug. 1986	Aug.[2] 1987	July[3] 1987	Aug. 1986	Aug.[2] 1987	July[3] 1987	Aug. 1986
TOTAL MANUFACTURING[4]	$412.63	$403.91	$399.00	39.6	38.8	38.7	$10.42	$10.41	$10.31
Durable Goods	427.43	415.28	411.67	40.4	39.4	38.8	10.58	10.54	10.61
Lumber & Wood Products	433.90	407.90	416.13	40.4	38.3	39.0	10.74	10.65	10.67
Logging & Sawmills	459.55	428.26	436.25	40.1	37.6	38.1	11.46	11.39	11.45
Veneer & Plywood	426.62	393.02	414.86	41.1	37.9	40.2	10.38	10.37	10.32
Millwork & Structural	375.56	379.05	355.60	41.0	41.7	40.0	9.16	9.09	8.89
Mobile Homes	313.71	304.51	337.26	36.1	36.6	39.4	8.69	8.32	-8.56
Other Wood Products	420.55	398.04	417.20	39.9	38.2	39.1	10.54	10.42	10.67
Furniture & Fixtures	319.23	347.23	317.20	36.4	36.9	39.6	8.77	9.41	8.01
Primary Metals	507.36	504.84	464.13	42.0	42.0	39.4	12.08	12.02	11.78
Fabricated Metals	397.54	381.12	382.78	40.4	39.7	39.3	9.84	9.60	9.74
Machinery (Ex Electrical)	446.72	437.49	426.69	40.5	39.7	38.2	11.03	11.02	11.17
Nondurable Goods	379.00	374.60	367.68	37.9	37.2	38.3	10.00	10.07	9.60
Food & Kindred Products	287.92	292.23	295.68	36.4	35.9	38.4	7.91	8.14	7.70
Canning & Preserving	239.63	246.39	249.28	35.5	34.9	38.0	6.75	7.06	6.56
Other Food Products	411.77	407.90	414.75	38.7	38.3	39.5	10.64	10.65	10.50
Textile Mill Products	214.02	213.48	217.43	34.8	34.6	34.9	6.15	6.17	6.23
Apparel	223.94	223.48	199.94	37.2	37.0	35.2	6.02	6.04	5.68
Paper & Allied Products	652.68	654.46	614.48	42.0	41.5	40.4	15.54	15.77	15.21
Printing & Publishing	458.89	419.40	435.34	37.8	36.0	36.8	12.14	11.65	11.83
Construction[4]	491.40	491.14	504.15	36.4	36.3	37.4	13.50	13.53	13.48
Communications & Utilities[5]	516.89	510.72	507.55	40.7	39.9	40.8	12.70	12.80	12.44
Trade[5]	301.54	291.21	291.83	34.7	34.1	34.7	8.69	8.54	8.41
Wholesale Trade	407.25	388.00	395.93	37.5	36.5	37.6	10.86	10.63	10.53
Retail Trade	250.08	245.85	242.48	33.3	33.0	33.4	7.51	7.45	7.26
Banking & Insurance[5]	326.47	304.03	301.63						
State & Local Government	388.31	386.72	375.90						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

AVERAGE ANNUAL PAY BY STATE AND INDUSTRY, 1986

Jeff Hannum

The average annual pay of U.S. workers covered by State and Federal Unemployment Insurance (UI) programs increased by 4.0% to $19,966 in 1986, according to preliminary data recently released by the Bureau of Labor Statistics of the U.S. Department of Labor.

Annual pay data are compiled from tax reports submitted by employers under UI programs covering over 98 million full-time and part-time workers. Average pay is computed by dividing total annual payrolls of employers covered by UI programs by average monthly employment for these employees. Pay data are not adjusted for inflation.

Industries

Average annual pay varies widely by industry. For example, in Oregon the highest paid workers ($24,722) were employed in transportation, communication and utilities. Oregon retail trade workers, many of whom work only part-time, earned the lowest average annual pay ($10,821). Average pay increased in all major industrial categories between 1985 and 1986. The weakest income gains came in construction (0.8%), a sector still recovering from the last recession. Finance, insurance and real estate workers enjoyed the largest jump in average pay (7.4%) in 1986. A major contributing factor was last year's high volume of transactions in the stock market which caused average pay in the Oregon securities industry to soar by 20% to about $51,000. The following table shows average pay in 1986 by major industrial category and the percent change from 1985 to 1986.

Mining	$24,641	3.5%
Construction	$21,065	0.8%
Manufacturing	$23,763	3.9%
Transp.,Comm. & Util.	$24,722	3.0%
Wholesale Trade	$22,999	2.3%
Retail Trade	$10,821	1.7%
Fin., Ins. & R.E.	$19,606	7.4%
Services	$15,424	2.2%
Government	$20,463	4.0%

Metropolitan Areas

The average pay for workers in nearly 300 metropolitan areas in the U.S. last year was $20,691, an increase of 4.2% Annual pay in all four of Oregon's major metropolitan areas was less than the U.S. average. This can be due to several factors including:

- the ratios of full-time to part-time workers
- the mix of industries and occupations
- extent of unionization
- the rates of local inflation, which in part reflect the relative strength of the economy in each area.
- the extent of UI coverage in Oregon versus other states. (UI coverage is very broad and basically comparable from state to state. Last year, 90% of total civilian employment in the U.S. was under UI coverage.)

U.S. average (nearly 300 areas)	$20,691	4.2%
Eugene-Springfield MSA	$17,065	1.4%
Medford MSA	$16,853	2.0%
Portland PMSA	$19,935	3.7%
Salem MSA	$16,311	3.0%

States

Average annual pay increased in all states except Alaska between 1985 and 1986, reflecting continued economic expansion and low to moderate rates of inflation in each state. Oregon's rate of increase in average pay (2.7%) was below the U.S. average (4.0%), but above the rate of consumer price inflation in the 1985-86 period (U.S. CPI-U rose 1.9%; Portland area CPI-U rose 1.4%).

In terms of actual level of average annual pay, Oregon placed in the middle of the pack at $18,322. Alaska ($28,442) and South Dakota ($14,477) once again represented the high and low ends of the spectrum. □

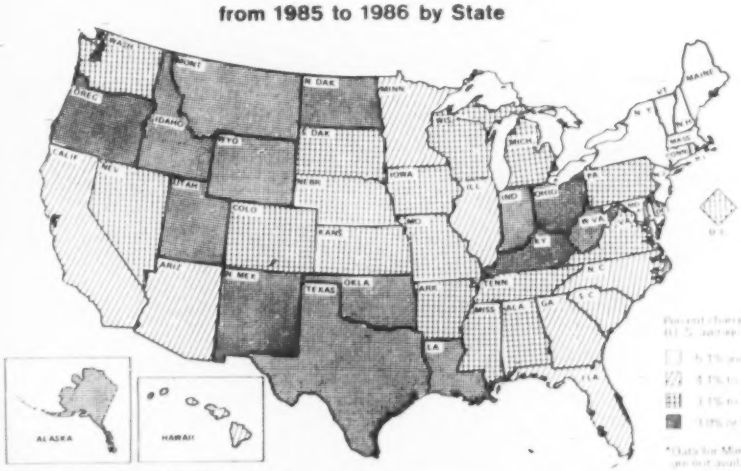
AVERAGE ANNUAL PAY IN 1986

	1986	1985-86 Percent Change
United States	$19,966	4.0
Alabama	17,638	3.6
Alaska	28,442	-0.9
Arizona	18,870	4.6
Arkansas	16,162	3.9
California	21,995	5.0
Colorado*	20,275	3.6
Connecticut	22,516	6.1
Delaware	19,639	2.6
District of Columbia	27,137	3.7
Florida	17,679	4.2
Georgia	18,746	4.6
Hawaii	18,101	4.4
Idaho	16,602	1.5
Illinois	21,452	4.1
Indiana	19,024	2.8
Iowa	16,598	3.1
Kansas	17,934	3.5
Kentucky	17,357	2.5
Louisiana	18,290	0.4
Maine	16,326	5.8
Maryland**	20,121	**
Massachusetts	20,925	6.6
Michigan	22,720	3.8
Minnesota	19,630	4.3
Mississippi	15,420	3.1
Missouri	18,915	3.1
Montana	16,085	1.0
Nebraska	16,106	3.1
Nevada	18,739	3.1
New Hampshire	18,303	6.4
New Jersey	22,309	5.8
New Mexico	17,301	1.8
New York	23,200	5.9
North Carolina	17,001	4.8
North Dakota	15,778	1.2
Ohio	19,902	2.4
Oklahoma	18,345	0.8
Oregon	18,322	2.7
Pennsylvania	19,404	4.0
Rhode Island	17,733	5.2
South Carolina	16,600	4.1
South Dakota	14,477	3.5
Tennessee	17,661	4.0
Texas	19,934	1.6
Utah	17,863	1.6
Vermont	16,857	5.2
Virginia	18,972	3.9
Washington	19,645	3.6
West Virginia	18,405	2.2
Wisconsin	18,202	3.5
Wyoming	18,969	0.1

* Data for third and fourth quarters are estimated.

** Comparable data for Maryland for 1985 are not available.

Percent Change in Average Annual Pay from 1985 to 1986 by State



LABOR SURPLUS AREAS

Arthur Ayre

Labor surplus areas are areas with high unemployment rates to which Federal procurement contracts can be directed. Rather than classifying these areas by metropolitan area or by labor market area, the U.S. Department of Labor classifies them on the basis of civil jurisdictions. At present these are defined as all cities with a population of at least 25,000 and all counties.

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20% above the average unemployment rate for all states during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (i.e. a rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (i.e. a rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not reflected in the rate for the previous two years.

In 1985-86, the average unemployment rate for the U.S. was 7.2%. Therefore, the qualifying rate for labor surplus areas is 8.6% (1.2 times 7.2%). The following table lists 33 areas in Oregon which were designated labor surplus areas by the U.S. Department of Labor for the period October 1, 1987 to September 30, 1988. Employers located in any of these areas, or which agree to carry out a substantial portion of the contract in a labor surplus area, currently qualify for bidding preference on certain Federal procurement contracts.

Employers interested in bidding on Federal contracts should consult the **Commerce Business Daily** which lists Federal contracting requirements and indicates those to be awarded under preference procedures. The Seattle Business Service Center of the General Services Administration can provide additional information concerning Federal contracting opportunities in Alaska, Idaho, Oregon and Washington.

Contact:
General Services Administration
2413 GSA Center
Auburn, WA 98001
Attn: Wiletta Brown
Ph. (206) 931-7957

Oregon Labor Surplus Areas
Eligible for Federal Procurement Preference
October 1, 1987 through September 30, 1988.

Albany City in Linn County
Baker County
Columbia County
Coos County
Crook County
Curry County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Jackson County less Medford City
Jefferson County
Josephine County
Klamath County
Lake County
Lane County less Eugene and Springfield Cities
Lincoln County
Linn County less Albany City
Malheur County
Marion County less Salem City
Medford City in Jackson County
Morrow County
Portland City in Clackamas, Multnomah, and Washington Counties
Sherman County
Springfield City in Lane County
Tillamook County
Umatilla County
Union County
Wallowa County
Wasco County
Wheeler County
Yamhill County

JSEC SEMINARS FOR EMPLOYERS

Local Job Service Employer Committees have scheduled the following seminars for employers during November:

Topic: **HOW THE NEW IMMIGRATION LAW AFFECTS YOU**
Description: This seminar will cover what employers need to know about the new immigration law including:
- guidelines to follow when hiring employees
- responsibilities of employers, employees and job applicants
- verification and record keeping requirements
- what to do if an employee or applicant is an illegal alien
- penalties and sanctions
- non-discrimination rules under the Immigration Act

Location: County Extension Services, 3228 Vandenberg Road, Klamath Falls.
Time: November 12, 1987 - 1:00 PM to 5:00 PM

Topic: **WORKERS' COMPENSATION, A WALK THROUGH THE NEW LAW**
Description: Joseph Brislin, an attorney for the Timber Operators Council, will discuss the new workers' compensation law including ways to reduce employer's costs. Active involvement in injury prevention and claims management are the keys to lower costs.

Locations:
- Holiday Inn, Portland Airport
  November 17, 1987 - 8:00 AM to 12:00 noon
- Holiday Inn, Wilsonville
  November 18, 1987 - 7:15 to 11:30 AM
- Chumaree Comfortel, Salem
  November 19, 1987 - 7:30 AM to 1:00 PM

Topic: **UNEMPLOYMENT INSURANCE**
Description: This seminar will cover legislation affecting employers, the UI claims process, and how employers can prepare for claims hearings and lower thier UI insurance costs.

Location: Red Lion Inn, 200 N. Riverside, Medford.
Time: November 18, 1987 - 8:00 AM to 3:30 PM

For more information on these or other JSEC seminars, including any registration fees, please call Dorothy Monnier at (503) 378-4446 in Salem, Oregon.

EMPLOYERS' CORNÈR

Dorothy Monnier

COMMITMENT TO QUALITY

The Oregon Employment Division knows that the success of your business depends on the quality of your product or service. Hiring the best possible employees is of prime importance in maintaining that quality. Our Employment Service staff is committed to meeting your need for qualified applicants to fill your job openings.

LOCAL, STATEWIDE, AND NATIONAL RECRUITMENT

Our local, statewide, and national recruitment capabilities make it possible to find qualified workers for you. We save you interviewing time by screening applicants prior to referral. Only those applicants who meet your job specifications will be referred to you for your consideration. Employment Service staff screen and refer applicants without regard to their race, color, national origin, sex, age, marital status or religion.

OTHER SERVICES AVAILABLE AT YOUR EMPLOYMENT SERVICE

AFFIRMATIVE ACTION - We understand the affirmative action requirements placed on employers. Our efforts can assist employers seeking qualified applicants who meet affirmative action needs.

VETERANS SERVICES - Veterans Administration approved on-the-job training or apprenticeship programs can be arranged with our help. We also offer assistance to federal contractors in meeting their veteran-related affirmative action goals.

PROFESSIONAL PLACEMENT SERVICE - The Professional Placement Service (PPS) is an expansion of our normal placement services. PPS staff in Salem, Portland, Eugene and Springfield work exclusively with professional, technical and managerial job seekers and job openings. They offer a personalized service which provides employers with applicant resumes and additional recruitment where necessary.

TARGETED JOBS TAX CREDIT (TJTC) - Tax-paying businesses can receive tax credits under this Federal program. The credit is received for hiring members of specific targeted groups. Employers must request certification of the person's eligibility for TJTC in writing on or before the day the person begins work.

BONDING - We can provide fidelity bonding for qualified workers in permanent, full-time jobs when the inability to obtain bonding is the only barrier to employment. Paper work is minimal. Upon approval, coverage is effective within a few days. All costs are borne by the Federal government.

LABOR MARKET INFORMATION - The Employment Division is a major source of national, state and local economic data. We provide information on a variety of labor market topics such as economic trends, available labor force, employment and demographic projections, occupational supply/demand analysis, wages and local economic development information.

FURTHER INFORMATION - For more detailed information on these and other services available to you, please contact your local Employment Division office. They are listed in the telephone directory under State of Oregon. □

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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